Universität Basel
Wirtschaftswissenschaftliche Fakultät
WWZ

Master Seminar 2022

Financial Markets and Asset Pricing

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Learning Objective

Course objectives regarding participant's personal development:

1. Specifying and narrowing-down a research topic,
2. self-study of new empirical method and its implementation,
3. preparing and performing a short presentation,
4. writing a short scientific paper.
5. Ideally, putting the findings in the broader public or practical view

Specific information

- There is no «general topic» this year
- You propose 1-3 topics in an @email, and it will be disussed bilaterally. Alternatively, you are ready to propose a subject in the meeting on August 25 at 10:15 till 11:30 via zoom.
- You may be motivated by a topic, interesting data or a specific econometric/ empirical method
- September-November: Literature review, data collection, first results, bilateral discussion
- A seminar presentation of «major results» on November 30 at 2:15 pm; approx. 20 minutes and 10-20 slides, discussion 15 minutes
- Implement the input from the seminar presentation
- Final paper is approx. 15-20 pages incl. exhibits, due 23 December 2022

Hints for the presentation and the paper

1. Look at a published paper in a top journal to see how scientific results are presented and structured
2. Top Journals are: JFE, RFS, JF, MS, RF, JBF and others
3. The key question is always: Why is the topic (or the method) interesting?
4. Talk: the presentation is oriented towards uninformed individuals, explain the data used and the methods
5. No «Bleiwüsten»… selective figures, graphs may be informative as well
6. However: no selection bias in reporting the findings, there are no «bad» (not supportive results) results. Robustness tests required
7. Be brief, come to the point. Selective (representative) literature review is OK.

Possible topics

Where to find good topics?
… don’t forget economic newspapers, The Economist, …

- Stock market valuation: Information content of fundamental valuation ratios
- Portfolio theory: Diversification benefits of sector-diversification strategies, in particular related to emerging markets
- Econometrics: Alternative pricing tests, e.g. Fama MacBeth vs GMM
- Covid Crash: Stock market characteristics (value, growth)
- Sustainable finance: Portfolio selection, Risk premiums, Benchmarks
- Investment strategies: Selling or holding stock on all-time highs? (Super-momentum effect…)
- Interest rate effects: Credit spreads and the stock market